

Message Text

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PAGE 01 STATE 111537
ORIGIN OPIC-06

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DRAFTED BY OPIC/T:TBCLEGG
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EB/IFD/OIA:DHSTEBBING
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R 151444Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY PARIS

UNCLAS STATE 111537

FROM OPIC

E.O. 11652: N/A

TAGS: EINV

SUBJECT: TAW

FOR LEON LERCHBAUM FROM THOMAS B. CLEGG

1. AS YOU WILL RECALL, THE OVERSEAS PRIVATE INVESTMENT CORPORATION (QUOTE OPIC QUOTE) MADE ARRANGEMENTS WITH YOUR OFFICE EARLY IN 1975 CONCERNING CERTAIN PAYMENTS IN KENYAN SHILLINGS AND SEVERAL OTHER AFRICAN CURRENCIES WHICH OPIC WAS TO RECEIVE FROM TAW INTERNATIONAL LEASING CORPORATION (QUOTE TAW QUOTE).

2. IN ACCORDANCE WITH THESE ARRANGEMENTS, TAW WAS DIRECTED TO DRAW CHECKS TO THE ORDER OF THE U.S. DISBURSING OFFICER, PARIS, FRANCE AND TO DEPOSIT SUCH CHECKS WITH THE LOCAL UNITED STATES EMBASSY WITH THE NOTATION THAT THEY WERE TO BE CREDITED TO OPIC ACCOUNT NO. 71X6875. AS THE NEED AROSE
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FOR FUNDS IN LOCAL AFRICAN CURRENCY TO MEET U.S. GOVERNMENT EXPENSES, YOUR OFFICE WOULD PURCHASE THE LOCAL CURRENCIES IN ACCOUNT NO. 71X6875 FROM OPIC AND USE THOSE FUNDS TO DEFRAY LOCAL U.S. GOVERNMENT EXPENSES IN THE COUNTRY WHOSE CURRENCY WAS BEING PURCHASED.

3. OPIC HAS RECENTLY FILED PETITIONS FOR THE WINDING-UP

(I.E., BANKRUPTCY) OF TAW WITH THE HIGH COURTS OF KENYA

AND ZAMBIA. IN CONNECTION WITH THE KENYAN PROCEEDING, TAW, THROUGH ITS PRESIDENT THOMAS A. WOOD, HAS FILED AN AFFIDAVIT MAKING THE FOLLOWING ALLEGATION AGAINST OPIC:

QUOTE: THAT OPIC HAS VIOLATED THE KENYAN EXCHANGE CONTROL REGULATIONS BY CAUSING THE SUM OF KENYA SHS.2,687,598.55 IN THE RESTRICTED BANK ACCOUNT THERETO BE TRANSFERRED TO THE U.S. EMBASSY IN NAIROBI - AND TO AN ACCOUNT ESTABLISHED FOR THE BENEFIT OF OPIC AND OTHERS IN THE FIRST NATIONAL BANK OF CHICAGO AS CONFIRMED BY THE CENTRAL BANK OF KENYA IN ITS LETTERS TO TAW KENYA, FIRST NATIONAL BANK OF CHICAGO, KENYA AND U.S. EMBASSY NAIROBI. IN ADDITION I VERILY BELIEVE THAT THE FUNDS TRANSFERRED TO U.S. EMBASSY IN NAIROBI WERE FURTHER TRANSFERRED OUT OF KENYA IN VIOLATION OF THE KENYAN EXCHANGE CONTROL REGULATIONS IN DIRECT CONTRADICTION TO THE REPRESENTATION MADE BY MR. PAUL MUELLER OF OPIC IN HIS LETTER OF 23RD SEPTEMBER, 1975, IN WHICH HE STATED THAT QUOTE:ALL PAYMENTS RECEIVED FROM TAW HAVE BEEN IN THE PAST, AND WILL BE IN THE FUTURE USED ENTIRELY WITHIN THE COUNTRY THEY WERE RECEIVED FROM FOR SUCH EXPENSES OR OTHER USES WHICH THE UNITED STATES GOVERNMENT HAS FOR SUCH CURRENCIES IN THE COUNTRIES. END QUOTES.

4. PLEASE CONFIRM BY SEPARATE BUT IDENTICAL RETURN CABLES SENT TO ME AND TO OPIC'S COUNSEL IN THE KENYAN PROCEEDING, MR. PETER HEWETT, DALY & FIGGIS, NAIROBI, UNCLASSIFIED

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KENYA (CABLE ADDRESS PRECEDENT NAIROBI) THAT ALL KENYAN SHILLINGS WHICH YOUR OFFICE HAS PURCHASED FROM OPIC ACCOUNT NO. 71X6875 HAVE IN FACT BEEN USED LOCALLY IN KENYA TO DEFRAY THE EXPENSES OF THE UNITED STATES EMBASSY IN NAIROBI. PLEASE INDICATE IN YOUR REPLY THAT YOU ARE RESPONDING TO THIS CABLE CHRISTOPHER

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Sent Date: 15-May-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Document Unique ID: 00
Drafter: TBCLEGG
Enclosure: n/a
Executive Order: N/A
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Expiration:
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From: STATE
Handling Restrictions: n/a
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